

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2013**

**DUCOTE & COMPANY
Certified Public Accountants
P. O. Box 309
219 North Washington St.
Marksville, LA 71351**

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA
As of and for the Year Ended December 31, 2013**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Fire Protection District No. 1
Of the Parish of Avoyelles
Effie, Louisiana

We have compiled the accompanying balance sheet of the Fire Protection District No. 1 of the Parish of Avoyelles as of December 31, 2013 and the related statement of revenues, expenditures, and changes in fund balance, for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Fire Protection District No. 1 of the Parish of Avoyelles is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Fire Protection District No. 1 of the Parish of Avoyelles did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2013. The effects of this departure from generally accepted accounting principles has not been determined.

DUCOTE & COMPANY
Certified Public Accountants
Marksville, Louisiana
June 20, 2014

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 2013**

	Governmental Fund Type Special Revenue	Account Group General Fixed Assets	Totals (Memorandum Only)
<u>ASSETS AND OTHER DEBITS</u>			
Cash and cash equivalents	\$142,782	\$0	\$142,782
Receivables	50,616	0	50,616
Property, plant, and equipment:			
Buildings	0	106,419	106,419
Land	0	1,500	1,500
Machinery and equipment	0	586,503	586,503
Amount to be provided for retirement of Long-term obligations	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND OTHER DEBTS	<u>\$193,397</u>	<u>\$694,422</u>	<u>\$887,820</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>			
Liabilities			
Accounts Payable	\$214	\$0	\$214
Loans Payable	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>214</u>	<u>0</u>	<u>214</u>
<u>FUND EQUITY AND OTHER CREDITS:</u>			
Investment in general fixed assets	0	694,422	694,422
Unreserved - designated	175,876	0	175,876
Unreserved - undesignated	<u>17,308</u>	<u>0</u>	<u>17,308</u>
TOTAL FUND EQUITY AND OTHER CREDIT	<u>193,184</u>	<u>694,422</u>	<u>887,606</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$193,397</u>	<u>\$694,422</u>	<u>\$887,820</u>

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2013**

REVENUES

Taxes	\$58,974
Intergovernmental	15,766
Donations	2,400
Miscellaneous	453
	<hr/>
TOTAL REVENUES	77,593

EXPENDITURES

Current:	
Public safety	19,409
	<hr/>
TOTAL EXPENDITURES	19,409

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	58,185
FUND BALANCE AT BEGINNING OF YEAR	134,999
	<hr/>
FUND BALANCE AT END OF YEAR	\$193,184

NOTES TO FINANCIAL STATEMENTS

FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES EFFIE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013

INTRODUCTION

The Fire Protection District No. 1 of the Parish of Avoyelles was incorporated on January 14, 1987, under the provision of the Louisiana Revised Statutes 12:201-269. The Corporation is organized on a non-profit basis and operates exclusively for the purpose of providing a service to its member in the protection of their lives and property. The Board of Directors consists of not less than seven, or more than eleven members. The members of the Board of Directors are elected at the annual membership meeting held in December of each year. The activities governed by this Board are referred to and accounted for as the Effie District One Volunteer Fire Department Fund.

On August 9, 1988, the Police Jury, of the Parish of Avoyelles State of Louisiana acting under the authority of Part I Chapter 7, Title 40 of the Louisiana Revised Statutes created "Fire Protection District No. 1 of the Parish of Avoyelles, State of Louisiana" as a public corporation and political subdivision. The governing authority of said Fire Protection District consists of a five member Board of Commissioners appointed by the Avoyelles Parish Police Jury. The activities governed by this Board are referred to and accounted for as District 1 Tax Commission.

Board members of both Boards serve terms without being compensated. Activities under the direction of both of the Boards benefit the residents of the Fire Protection District No. 1 and are therefore included in the financial statements presentation because of their interdependence and common objectives in providing fire protection to the members of the Fire Protection District No. 1 of the Parish of Avoyelles.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Fire Protection District No. 1 of the Parish of Avoyelles have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units, with exception that as referred to in the compilation report, the district did not adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for Avoyelles Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board Statement No. 14 established criteria for determining which component units, if any, should be considered part of the financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the entity to impose its will on the organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the entity.
2. Organizations for which the department does not appoint a voting majority but are fiscally dependent on the department.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The accompanying financial statements present information only on the funds maintained by the governmental unit, or the other governmental units that comprise the financial reporting entity. There are no component units meeting the above criteria requiring inclusion in the financial reporting entity.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial positions and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include (include those funds included in the accompanying statements):

Special Revenue Funds-

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group and are recorded as expenditures in the governmental fund type when purchased. No depreciation has been provided on general fixed assets.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which such taxes are billed and collected. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues.

Expenditures are generally recognized under the modified accrual basis of accounting when related fund liability is incurred, except the principal and interest on general long-term debt is recognized as expenditure when due.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the department may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. BUDGET PRACTICES

The department is not required to formally adopt a budget. Therefore, the presentation of a statement of revenues, expenditures, and changes in fund balances – budget and actual, for the special revenue funds is not required.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

G. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

H. COMPENSATED ABSENCES

The district has no employees, all services are performed by volunteers. Therefore, the department has no policy relating to compensated absences.

I. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. EQUITY CLASSIFICATIONS

In the financial statements, equity is classified as fund equity under three components:

Investment in general fixed assets, which consists of the cost of fixed assets net of any related debt.

Unreserved – designated which consists of net assets designated for specific purposes

Unreserved – undesignated which consists of all other net assets that do not meet any other definition.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2013, the department had cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$142,782</u>
Total	<u>\$142,782</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2013, the district had \$142,782 (collected bank balances). These deposits were adequately insured by FDIC Insurance and any other pledged securities they may have as of December 31, 2013.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the department that the federal agent has failed to pay deposited funds upon demand.

NOTE 3. RECEIVABLES

The following is a summary of receivables at December 31, 2013:

Taxes Receivable	\$ 50,076
Quarterly Appropriation	<u>540</u>
Total	<u>\$ 50,616</u>

No allowance for bad debt has been made due to the immaterial amount of receivables.

NOTE 4. LITIGATION AND CONTINGENCIES

At December 31, 2013, the Fire Protection District No. 1 of the Parish of Avoyelles was not involved in any litigation that would materially affect the financial statements.

**FIRE PROTECTION DISTRICT NO. 1 OF THE PARISH OF AVOYELLES
EFFIE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for 2013 as follows:

	Balance <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/13</u>
Land & Improvements	\$ 1,500	\$ -	\$ -	\$ 1,500
Building & Improvements	106,419	-	-	106,419
Machinery & Equipment	384,663	-	-	384,663
Vehicles	<u>201,840</u>	<u>-</u>	<u>-</u>	<u>201,840</u>
Totals	<u>\$ 694,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$694,422</u>

NOTE 6. CHANGES IN GENERAL LONG-TERM DEBT

Fire Protection District No. 1 had no outstanding long-term debt in 2013.

NOTE 7. TAX LEVY

Pursuant to voter approval by the residents of Fire Protection District No. 1 a resolution proposed by the Police Jury of the Parish of Avoyelles, State of Louisiana, became effective authorizing the levy of an annual parcel fee of forty-five dollars (\$45) on each lot subdivided portion of ground or individual tract upon which is located either in whole or in part a residential or commercial structure, regardless of the structure's being occupied or unoccupied for a period of ten (10) years beginning with the year 1987 and renewed thereafter, for the purpose of acquiring, construction, maintaining and operating fire protection facilities and equipment, including paying the cost of obtaining water for fire protection purposes and salaries of fireman, and all purposes incident thereto. Such resolution further authorizes the District to fund the proceeds of said parcel fees into bonds to be issued in such series from time to time to pay the costs of such capital improvements in the manner provided by law.

NOTE 8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 20, 2014. This date represents the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUES FUNDS

Effie Volunteer Fire Department - This fund is used to account for the revenues received by the Volunteer Fire Department from various sources including self-generated funds used for providing fire protection within its' district.

Fire Protection District No. 1 Tax Commission - This fund is used to account for revenue generated from the levy and collection of the annual parcel fee of forty-five dollars (\$45) assessed to residential and commercial structures located in the Fire Protection District No. 1 of Avoyelles Parish, Louisiana.

EFFIE VOLUNTEER FIRE DEPARTMENT, INC.
EFFIE, LOUISIANA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2013

	Volunteer Fire Department Fund	Fire Department Tax Fund	Totals
<u>ASSETS AND OTHER DEBITS</u>			
Cash and cash equivalents	\$16,981	\$125,800	\$142,782
Receivables	<u>540</u>	<u>50,076</u>	<u>50,616</u>
TOTAL ASSETS	<u><u>\$17,521</u></u>	<u><u>\$175,876</u></u>	<u><u>\$193,397</u></u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Accounts Payable	<u>\$214</u>	<u>\$0</u>	<u>\$214</u>
TOTAL LIABILITIES	<u>214</u>	<u>0</u>	<u>214</u>
Fund Equity:			
Unreserved - designated	0	175,876	175,876
Unreserved - undesignated	<u>17,308</u>	<u>0</u>	<u>17,308</u>
TOTAL FUND EQUITY	<u>17,308</u>	<u>175,876</u>	<u>193,184</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$17,521</u></u>	<u><u>\$175,876</u></u>	<u><u>\$193,397</u></u>

**FIRE PROTECTION DISTRICT NO. 1
OF THE PARISH OF AVOYELLES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Volunteer Fire Department Fund	Fire Department Tax Fund	Totals
<u>REVENUES</u>			
Taxes:			
Ad Valorem	\$0	\$58,974	\$58,974
Intergovernmental:			
2% Fire insurance rebate	14,686	0	14,686
Appropriation from police jury	1,080	0	1,080
Grant Revenue	0	0	0
Miscellaneous:			
Miscellaneous	0	0	0
Donations	2,400	0	2,400
Interest Income	26	427	453
TOTAL REVENUES	18,193	59,401	77,593
<u>EXPENDITURES</u>			
Public Safety:			
Repairs and maintenance	4,060	0	4,060
Parts and supplies	28	0	28
Insurance	8,667	0	8,667
Legal and professional	1,675	0	1,675
Dues and meetings	1,950	0	1,950
Fuel expense	585	0	585
Utilities	2,135	0	2,135
Miscellaneous	82	0	82
Office expense	155	8	163
Contributions	64	0	64
TOTAL EXPENDITURES	19,401	8	19,409
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,208)	59,393	58,185
OTHER FINANCING SOURCES (USES)			
Transfers In	(766)	0	(766)
Transfers Out	0	766	766
TOTAL OTHER FINANCING SOURCES (USES)	(766)	766	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,974)	60,159	58,185
FUND BALANCE AT BEGINNING OF YEAR	19,282	115,717	134,999
FUND BALANCE AT END OF YEAR	\$17,308	\$175,876	\$193,184